



US Army Corps of Engineers



USACE Defense Base Act Insurance Program

Worker Compensation Insurance
Program Rules and Regulations

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Overview

- What is DBA Insurance
- When DBA Insurance is Required
- Background/History
- PARC Instruction Letter
- If Premiums are Not Paid...
- Points of Contact



DBA Insurance

- What is DBA Insurance?
 - ▢ Congressionally mandated workers compensation insurance effective since 1941
 - ▢ 42 U.S.C. Sections 1651-1654, as amended
 - ▢ OSD issued guidance in December 2003
- It's the Law
 - ▢ Contractors **MUST** buy DBA insurance for its employees working outside the 50 states.
 - ▢ Unless under a self-insurance program approved by DOL or subject to a waiver (see FAR 28.305)



When is it Required?

- For Contractors and Subcontractors unless waived by DOL
- DOL Policy Letter for DoD is forthcoming –
 - Changes/Clarifications in Waivers
- A waiver can be requested from DOL
 - IAW FAR 28.305
- No waiver if:
 - Hired in the US
 - Resident of the US
 - Citizen of the US
 - If no Local Compensation Law Exists in Country



DBA Insurance

- The USACE-wide contract was awarded to Continental Insurance Company (CNA)
- CNA must be utilized whenever the contractor either obtains new DBA insurance or renews its existing DBA insurance
 - ▣ Why? Because this is a requirements contract
 - ▣ New Contract includes JCC-IA
 - ▣ Can't accept coverage from another insurance carrier
 - ▣ Otherwise, Government will be in breach of its contract with CNA, and can be sued for damages by CNA



Background/History

- Why does the USACE Program exist?
 - After 9/11 insurance costs became unaffordable for many companies, as much as \$150 per \$100 Compensation
 - Needed to find a way to help companies follow the DBA law
- Contract Information
 - In Third Year of Program (Since October 2005)
 - 1 October 2008 through 30 September 2009
 - One 12-mo Option Period
 - The Fixed rates are currently:

▪ Services	\$4.00	per \$100 Compensation
▪ Construction	\$7.50	per \$100 Compensation
▪ Security	\$12.50	per \$100 Compensation
▪ Aviation	\$20.00	per \$100 Compensation



PARC Instruction Letter

- New List of Country Waivers
- USACE and JCC-IA Contractors & Subs
- Pre-Award and Post-Award Responsibilities
 - ▣ Special Solicitation and Contract Requirements
 - ▣ When to Allow Performance (NTP)
 - ▣ Separately Price the DBA CLIN
- Oversight and Accountability
 - ▣ Leadership Responsibility
 - ▣ Contracting Officer Responsibility
 - ▣ Appoint Regional COR's



If Premiums are Not Paid...

- Contracting Officer's responsibility
 - maintain DBA coverage *with* **CNA**
- Get copy of the paid Invoice within 30 days
- If a contractor fails to maintain coverage
 - Withhold progress payments
 - Issue a Stop Work Order
 - Terminate the contract for default
 - Poor past performance CPARS, CCASS, ACASS



Points of Contact

- USACE DBA Subject Matter Expert
 - Procurement Analyst PARC-WIN:
 - Lynn Harper (540) 665-3998 lynn.harper@us.army.mil
- USACE Contracting Officer - HECSA
 - Susan Burchell (703) 438-8487
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- Department of Labor
 - Miranda Chiu (202) 761-7169 Chiu.miranda@dol.gov
 - Waiver Questions
 - John Chamberlain (202) 693-0925 Chamberlain.john@dol.gov



Points of Contact

- Rutherford International – Broker for CNA
 - USACE DBA Administrator
 - Ramoan Jones (703) 813-6543
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